Turbo RESOURCES LIMITED

nineteen seventy-six annual report

ANNUAL MEETING

The Annual Meeting of Shareholders will be held in the Mayfair Room, Calgary Inn, 320 - 4th Avenue, S.W., Calgary, Alberta, Canada, at 3:00 p.m., Tuesday, May 24, 1977.

HEAD OFFICE
1019 - 7th Avenue S.W.,
Calgary, Alberta, T2P 1A8

board of directors

ROBERT G. BRAWN, Calgary, Alberta
President and Chief Executive Officer
Turbo Resources Limited

JACK C. DONALD, Red Deer, Alberta
President
Parkland Beef Industries Ltd.

JOHN W. KILLICK, Calgary, Alberta
President
Oilex Industries Ltd.

JOHN F. MOORE, Calgary, Alberta
Partner
Harradence & Company

CARL O. NICKLE, Calgary, Alberta
President
Conventures Limited

GRAHAM D. ROSS, Calgary, Alberta
President
Argus Drilling Limited

V. KENNETH TRAVIS, Calgary, Alberta
Chairman of the Board
Turbo Resources Limited

highlights

For the year ended 31 December

	1976	1975 (Restated)	Per Cent 1975/1976
TOTAL DOLLARS			
Revenue	**$ 67,672,694**	$ 48,539,147	+ 39.42
Income taxes on earnings	**$ 1,073,603**	$ 895,278	+ 19.92
Net earnings	**$ 1,603,518**	$ 1,114,188	+ 43.92
Working capital from operations	**$ 3,764,156**	$ 3,392,233	+ 10.96
Common share dividends paid	**$ 168,988**	$ 166,448	+ 1.53
Earnings retained and reinvested	**$ 1,434,530**	$ 947,740	+ 51.36
Capital expenditures on plant/equipment/exploration	**$ 6,168,313**	$ 3,741,093	+ 64.88

	1976	1975 (Restated)	Per Cent 1975/1976
TOTALS PER SHARE			
Revenue	**$16.02**	$11.66	+ 37.39
Earnings	**$ 0.383**	$ 0.268	+ 42.91
Cash flow	**$ 0.891**	$ 0.815	+ 9.33
Proven reserves, after royalties discounted 10% annually			
Oil and Natural Gas Liquids	**$ 1.10**	$ 0.73	+ 50.68
Natural Gas	**$ 4.42**	$ 1.68	+163.10
Present Value of Proven Oil and Gas Reserves	**$ 5.52**	$ 2.41	+129.05
Common dividends paid	**$ 0.04**	$ 0.04	
Earnings retained and reinvested	**$ 0.339**	$ 0.227	+ 49.34

	1976	1975 (Restated)	Per Cent 1975/1976
PERFORMANCE MEASUREMENTS			
Return on Sales (Net earnings/revenue)	**2.37%**	2.30%	+ 3.04
Return on assets (Net earnings/total assets)	**6.13%**	6.33%	− 3.16
Return on shareholders' equity (Net earnings/equity)	**29.63%**	28.66%	+ 3.38

Note: In some instances figures previously published have been altered to reflect changes in reporting procedures.

message to shareholders

The active objectives of Turbo Resources Limited are for both growth and profits. Rapid growth generation of volume of business, which at the same time maintains consistent profitability on that volume, is an extraordinary achievement.

It was seven years ago that Turbo Resources set the strategy to build an integrated Canadian oil company. Total sales volume of the company for the year 1970 was one million dollars; in 1976 total sales volume was sixty-seven million dollars.

The purpose for growth and profits is three-pronged for the benefit of:

1. the society which we serve;
2. the company and its shareholders; and
3. the personnel and their families who make the company function.

This is the principle to which Turbo aspires and to which we continue to make gains.

The thorough goal-setting and results-achieving organizational style has been established, setting the stage for continued growth at an accelerating pace. The men and women in the organization are now in place and show an outstanding ability to establish the objectives and to be decisive toward those objectives.

Acquisitions are also occurring, so large numbers of fine people continue to join our company. The work ethic is alive and well within the company and that reputation for dynamics will continue to inspire our present people and entice equally strong new ones to join the Turbo team. We are becoming a well-rounded company in research and technology, exploration and drilling, manufacturing and producing, sales and marketing, transporting and distributing, administering and accounting, planning and managing.

"Turbo is on the go" read a 1976 Business Life Magazine headline. There are tens of thousands of "Go Turbo" bumper stickers on the move across Western Canada. Looking at the company's past and current growth, we see Turbo on the go, and yet we know the story has just begun.

It is with certain pride that we present to you the 1976 Annual Report of Turbo Resources Limited.

For the Board of Directors

V. K. Travis
Chairman of the Board

president's report

For the seventh year in a row, Turbo Resources Limited has recorded consecutive growth records. Last year we acknowledged the efforts of Turbo's employees, and this year we have seen the results of their dedication. Sales rose to $67,672,694, an increase of 39% over the $48,539,147 sales of 1975.

Early in 1976, Turbo purchased British American Chemical Company Limited, which, in turn, controlled Paramount XZIT Industries Limited and Fairview Chemical Company Limited with plants in Burnaby and Regina. This acquisition was made to expand our chemical manufacturing and compounding facilities to give Turbo the expanded opportunity to custom package goods throughout Western Canada for our growing list of customers. It also gave Turbo additional expertise in water treating chemistry and excellent laboratory facilities in British Columbia.

Later in the year, Turbo reached a decision to develop its gravel properties 22 miles west of Edmonton and to do that, Turbo formed a company, Northwest Sand & Gravel Ltd., with two other equal partners. Northwest undertook to explore, do a feasibility study, and develop the gravel pit. Besides Turbo's direct interest in the property, Turbo will receive a royalty of 15¢ per ton and retain the property after the pit is mined. Northwest has an option to purchase after a specific number of tons are mined. To date, they have proved up five million tons of high quality aggregate gravel and it is expected initial mining activities will start later this year.

In October of 1976, we acquired a 42.3% equity position in Oilex Industries Ltd. of Calgary. Oilex is a multifaceted public company listed on the Alberta Stock Exchange dealing in oil field exploration services, sub-division construction and housing prefabrication with a promising growth potential.

Turbo's expanded growth required us to increase our staff to 238 employees. Offices are now situated in Burnaby, Calgary, Edmonton, Lethbridge, Red Deer, Saskatoon and Regina. In addition to our employees, Turbo has a network of dedicated dealers and commissioned agents manning its service stations and bulk plants throughout Western Canada.

Besides sales records, profits after tax increased to $1,603,518 which was a 44% increase over last year. Working capital provided from operations increased to $3,764,156, an increase of 11% over 1975.

We maintained a return on shareholders' equity in excess of 25% for the third straight year by recording a return of 29.63%.

As with most integrated companies, 1976 proved difficult for Turbo's Marketing Department. With a continued over-supply of gasoline existing in the marketplace and companies scrambling for their share, price competition was fierce. Turbo's policy of being competitive, however, retained our customers and allowed us a growth of 23% in real volume. Many extra hours of work by our employees was necessary to accomplish this and in order to concentrate efforts on more productive stations, some of the smaller units were closed. This resulted in a small decrease in the number of stations handling Turbo products, but a great increase in the gallonage per station.

Besides Turbo's acquisition of British American Chemical Company Limited, the Manufacturing Division made great strides in development of its waste oil recycling process. All laboratory testing is complete, the pilot plant in Edmonton has been built, and some sections have been test-operated. This project is scheduled for completion in early 1978 and will give Turbo a further lead in waste oil recycling technology which will open market opportunities throughout the world.

We are also looking at developing other fields of recycling technology which presently appear to offer excellent commercial opportunities.

Turbo's chemical operations are in the process of changing their multitude of names to "Bramco Industries" and we are sure our customers and shareholders will begin to recognize this name in the months ahead as it begins to appear on various consumer and industrial cleaning products throughout Western Canada.

Turbo's refining and petrochemical plans have been expanded to take into account the Alberta Government's desire to improve the province's base in this area. Our application to the Alberta Energy Resources Conservation Board is to request permission to process about 100,000 barrels a day of sweet crude and condensate and to be able to deliver about 20,000 barrels a day of high aromatic naphtha to a separate benzene project. In return, we would receive their by-products and make 10,000 barrels a day of high-octane gasoline with the residual being returned to the pipeline. The project is slated for our land located east of Edmonton.

Turbo's Oil & Gas Production Department also set records. Turbo more than doubled the value of its proven reserves, despite selling 3.4 billion cubic feet of natural gas reserves to the TBR Gas & Oil Production Fund No. 2. We had new gas discoveries in Leduc, Morinville, Manyberries, Bashaw and East Texas and oil discoveries in Taber and Watts. Turbo sold its interest in the Erskine area and kept a royalty on future production. Our highly promising venture into Texas is with the same group of explorers who initially developed the Taber oil fields and we now have two highly productive gas wells in East Texas. It is expected one will be placed on stream this year.

Our program for 1977 is expansionary with a budget of $5,600,000. We have been increasing our staff to accomplish this goal. Now we are looking at additional United States plays, expansion into northeastern British Columbia, as well as increases in our traditional Alberta production.

Turbo successfully sold its second production fund using Turbo's Bashaw and Sylvan Lake gas reserves. This fund raised $2,000,000 which Turbo will be using, along with additional funds, for this year's oil and gas exploration program. We anticipate being able to sell a third fund this year. We have been encouraged by the success of our funds, both of which were over-subscribed. Fund No. 2 was sold within seven days of receiving approval of the prospectus from the Alberta Securities Commission.

In March of 1977, we purchased a 34% controlling interest in Upper Canada Resources Limited of Toronto. This acquisition gives Turbo an entry into substantial interests in mining properties and Arctic exploration through Upper Canada's control of Bankeno Mines Limited, new and modern drilling technology through its control of Becker Drills Ltd., Heath & Sherwood Drilling, and Drill Systems Inc., and a real presence in the

Canadian oil well drilling industry through Challenger Drilling Ltd. Upper Canada's activities are international, with present operations in the United States, Denmark and Canada.

Turbo's shares traded actively in 1976 and reached an all-time high of $2.25 per share. They have traded as high as $3.25 during the first quarter of 1977 after closing the year 1976 at $2.22 . . . up from $1.30 at the end of 1975. We traded 650,300 shares in 1976 and there was a Turbo trade almost every day. Two semi-annual dividend payments of 2¢ each were paid during last year. We have 3,978 shareholders, of whom 73% are Albertans and 98% are Canadians. Shareholders' equity in Turbo has grown to $1.28 per share which does not take into account the real value of our oil and gas assets, nor the ever-increasing value of our real estate holdings, both of which are several times the book value.

In 1976, Turbo had a capital budget of $6,000,000 and this year anticipates capital spending of $11,000,000. This will be financed from cash flow and a senior debt issue scheduled for mid-year.

In order to maximize our cash flow, Turbo spends considerable time and effort minimizing credit and inventories. In 1976 we placed greater controls on wholesale and commercial credit with no apparent loss of business. This was achieved through determined enforcement of credit limits by a decentralized credit responsibility backed up by experienced head office credit management. Turbo has not and is not likely to establish its own credit card system because of the large dollar sum which would be tied up in receivables and the high cost of administration. We do, however, accept one of the bank credit cards at our retail stations and have participated in several commercial credit card plans by larger industrial organizations.

Because of our involvement in Upper Canada Resources, Mr. Graham D. Ross, President of Argus Drilling Limited, felt a conflict of interests may develop and regretfully resigned from our Board of Directors. Likewise, Mr. Jack C. Donald, who has numerous business and municipal interests in Red Deer, felt the pressure of these activities would not enable him to fulfil the duties of a Director. It is proposed to replace these gentlemen with Mr. Frank W. King, Vice-President of Turbo's Manufacturing Division, and Mr. Ernest M. Braithwaite, President of EMB Management Consultants Ltd. of Calgary.

The Company acknowledges with thanks the significant contributions made by Mr. Donald and Mr. Ross whose efforts have benefitted the shareholders, officers and employees alike.

Mr. John W. Killick, former Executive Vice-President and Secretary-Treasurer of the Company, accepted the position of President of an affiliated company, Oilex Industries Ltd., but remains as a Director.

The company continues to support the Canadian Government's policies on wage and price controls, although we are not a reporting company under the rules of the Anti-Inflation Board.

I would like to thank the Board of Directors for their counsel, our shareholders for their continuing faith in Turbo, our staff who make the machinery work, and our customers who truly believe in what we are doing. With the growth pattern established, it is realistic to anticipate sales in 1977 could exceed $100,000,000. It is with great pleasure that I present to you the enclosed report and I would welcome enquiries and feedback from our shareholders, customers, employees and other interested parties at any time.

Robert G. Brawn

Robert G. Brawn
President and Chief Executive Officer


Turbo RESOURCES LIMITE
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oil and gas

During 1976 Turbo participated in the drilling of 6 exploratory wells resulting in a dual zone gas discovery at Leduc, one oil discovery, and a dual zone gas discovery in East Texas. In addition the company participated in 11 successful development wells including 9 oil wells and 2 gas wells; and in 3 successful royalty interest gas wells. This successful activity combined with acquisitions and participation in new exploration plays in both Canada and the East Texas area of the U.S. has broadened the base for continued growth of Turbo's Oil and Gas Division.

Gross proven plus probable reserves of Crude Oil and Natural Gas Liquids at year end were 1,397,000 barrels and production in 1976 was 70,250 barrels. Gross proven plus prospective gas reserves at year end were 41.49 billion cubic feet, an increase of 41.2% over 1975 after production of 293 million cubic feet and sale of Bashaw and Sylvan Lake properties to TBR Gas and Oil Production Fund No. 2. Significant reserve increases were booked for discoveries at Manyberries, Leduc and Morinville, and additional Basal Quartz reserves acquired in Leduc.

Turbo's net present worth of proven oil and gas reserves (discounted at 10%) is estimated at $23,300,000, an increase of 133% over last year, reflecting increased gas reserves and improved oil and gas wellhead prices. At year end the company held varying interests in 196,800 gross acres (79,400 net acres) in Canada.

Following are details and highlights of Turbo's major activity areas:

Leduc

Turbo drilled a dual gas zone discovery about 1½ miles west of the Leduc oil field. The well encountered 30 feet of net pay in the D-1 pool which AOF tested at 3.1 MMCFD, and 23 feet of net pay in the Basal Quartz which AOF tested at 7.0 MMCFD. Turbo holds a 90% working interest in the well and 4,640 acres of lands in the area. A second well encountered 13 feet of oil pay in a separate D-1 pool which is now being evaluated and an extended production test is planned for 1977. A third well is planned later this year south of the existing gas discovery. Proven gas reserves based on the discovery well and offsetting well control are estimated at 12 billion cubic feet (BCF) with an additional 9 BCF of probable reserves.

Late in 1976 Turbo purchased a 75% working interest in a D-3 oil producing property in the Golden Spike field. The property includes 480 acres, 4 producing oil wells, one salt water disposal well, and a central battery. Estimated remaining oil reserves are 82,000 stock tank barrels (STB). In addition there are 5.5 BCF of proved gas reserves in the Basal Quartz formation which tested up to 6 MMCFD. It is planned to recomplete one of the oilwells to the Basal Quartz when a gas contract has been obtained.

Morinville

Turbo has a 45% working interest in a Basal Quartz gas discovery in the Morinville area where the company's total land holdings are 3,840 acres. The discovery well encountered 28 feet of net pay in two separate zones having absolute open flows of 17.4 MMCFD and 5.2 MMCFD respectively. Total estimated proved reserves assigned to the discovery well are 5 BCF with probable reserves of over 10 BCF underlying offsetting undrilled lands.

Manyberries

Turbo has a 15% overriding royalty in a 1976 discovery well completed in the Sunburst Sand having an AOF of 4.3 MMCFD and a deliverability of 2 MMCFD at 980 pounds per square inch gauge (psig). The royalty is convertible to 45% working interest upon payout of well costs. Turbo has a 45% working interest in 960 acres offsetting the well plus a 25% working interest in 7,360 acres of potentially productive land in the immediate area.

Proved reserves are estimated at 2 BCF with probable reserves of another 2 BCF on an adjacent section. Negotiations are under way with a gas purchaser to tie-in and market the gas in 1977.

ALBERTA EXPLORATION and PRODUCTION LOCATIONS

East Texas:

On October 1, 1976, Turbo committed to a $13^1/_3$% participation in an East Texas exploration project involving a projected total expenditure of $9,250,000 over a two-year period to earn a 10% interest. By year end several seismic anomolies had been identified, several leases acquired, and drilling of the first project wildcat #1 C.E. Turner was under-way. The well discovered dual gas bearing formations including the Cotton Valley Limestone at 11,000 feet which tested 3.9 MMCFD at 4,042 pounds per square inch wellhead pressure and condensate at 6 barrels per MMCF, and the Cotton Valley Sandstone which requires further testing. In addition a completed Smackover well, C.E. Mayes No. 1, was purchased, which has an indicated AOF in excess of 100 MMCFD of low BTU sour gas, yielding condensate at 30 barrels per MMCF. Investigations are in progress to secure a market for the gas to permit extended production testing of the wells for evaluation purposes prior to development.

Watts

Turbo drilled a Banff discovery well which flowed oil and gas to surface at the rate of 70 barrels per day. Turbo holds a 45% working interest in the well, and varying interests in 13,440 gross acres in the area. Initially the well produced at a high gas oil ratio (GOR), and further testing is planned to evaluate the potential of the Banff formation. A follow-up well drilled approximately 1½ miles southwest of the discovery failed to encounter the productive zone and was abandoned.

A Banff test at Scapa, north of Watts, was dry and abandoned. The company has an interest in 9,760 gross acres of prospective lands in the Scapa area.

Peace River

Turbo drilled two 25% interest exploratory wells in the Peace River area resulting in dry holes. However, significant geological leads were obtained and Turbo earned a 75% interest in 7,520 adjoining acres. A follow-up well will be drilled in 1977 to further evaluate these lands.

Three Hills

A second gas well was successfully completed in the Pekisko formation having an absolute open flow (AOF) of 2.9 MMCFD compared with the 1975 discovery well which had an AOF of 4.7 MMCFD. Both wells encountered gas in the Viking formation one of which tested at 500 MCFD. A 5.0 MMCFD capacity plant was completed. One well was tied-in and put on production in February, 1977. Turbo holds a 31.5% working interest in total reserves estimated at 11 billion cubic feet in Three Hills area.

Southern Alberta Project:

Thirteen development wells were drilled in the Taber area, resulting in 4 oil wells in the Taber "C" heavy grav-

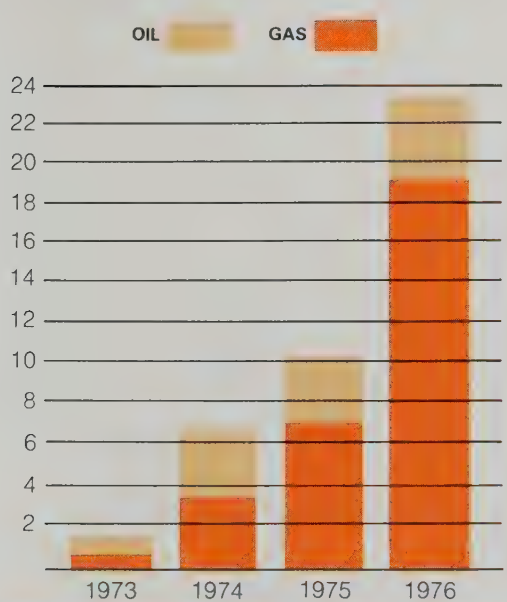
ity pool, 4 oil wells in the Turin Lower Manville "L" pool, and 5 dry holes. Turbo holds a 14% working interest in the wells. The pools were delineated based on seismic control in the area. Infill drilling to 80-acre spacing is planned, and feasibility of pressure maintenance by water injection was under study at year end which could potentially double estimated primary reserves of 2.5 million barrels from the Taber area. The Company's extensive land holdings will provide for continued future exploration in this area.

Sylvan Lake:

Turbo sold a 15% working interest in well 10-12-38-3 W5M, lands and plant to the TBR Gas and Oil Production Fund No. 2 in 1976, subsequently acquiring a 12½% working interest in the same property. Also, the company obtained a 45% interest in a multizone gas well which was reworked and produced 0.8 MMCFD during a brief production test. Further work and evaluation is planned in 1977.

PRESENT WORTH OF PROVEN OIL AND GAS RESERVES

(Thousands of dollars discounted at 10%)



Turbo earned a 50% working interest in 640 acres by re-entering 7-23-38-3 W5M which was successfully completed as a Basal Quartz gas well.

The plant and 10-12-38-3 W5M well have been on stream since late 1975 producing at a constant rate of 4 MMCFD and 25 bbls/MMCF of natural gas liquids.

Two new prospects in the Sylvan Lake area will be drilled in 1977. One is a Basal Quartz gas prospect and the other is a Viking oil prospect.

Bashaw

The jointly owned 12 million cubic feet per day plant and gathering system went on stream in October 1976. The company's interest in two wells 11-16 and 7-20-42-22 W4M, production facilities and 890 net acres were sold to TBR Gas and Oil Production Fund No. 2, managed by Turbo. The fund will participate in at least one additional well early in 1977.

Bindloss:

The Company purchased a 7% working interest in Medicine Hat and Milk River reserves in the Bindloss field, adding to its 31.5% interest in Belly River reserves and prospective lands in the area. In addition Turbo manages the producing interests which were sold to TBR Oil and Gas Production Fund No. 1 in 1975.

Bindloss gas plant went on stream in June with production at 2.7 MMCFD. During the last five months of the year the rate decreased and stabilized at about 1.6 MMCFD because of completion fluid buildup in the wellbores. A remedial cleanout program was initiated and the rate has been increased to 2.1 MMCFD. Continuation of the well cleanout program combined with clearing flowlines, and the drilling of four evaluation wells is expected to significantly improve productivity in 1977. It is planned to place a second Belly River well on production this year. Total proven plus probable gas reserves for Bindloss area are estimated at 33.3 BCF.

Erskine:

Turbo sold its interest in the Erskine plant, well, and offsetting lands; retaining a 6.75% overriding royalty on production from these properties. The operator drilled a successful well in late 1976 expected to be placed on production at a rate of 1.0 MMCFD.

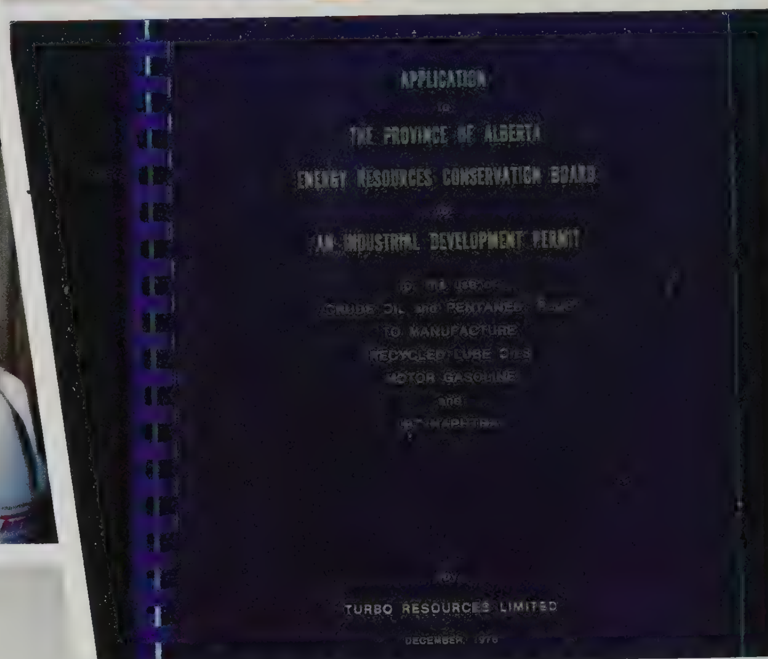
Plans for 1977:

The company has allocated over $5,600,000 to the Oil and Gas Division for capital expenditures in 1977. Turbo plans to maintain an active development drilling program for gas and oil this year with emphasis on extension and infill drilling to recent discoveries. Turbo will participate in 19 planned development wells and in up to 10 contingent or undesignated development wells. Emphasis will also be placed on obtaining gas contracts and tieing-in shut-in gas reserves at Leduc, Manyberries and Morinville.

Turbo plans to continue acquiring producing reserves, and prospective exploration lands in new oil and gas plays in Canada and the U.S.A. Turbo's exploratory drilling plans include: two wells each at Hughendon, Sylvan Lake and East Texas; one well each at Dapp, Winfield, Chip Lake, Michel, Peace River, and four contingent wells in other areas of interest.


Turbo
LUBRICANTS
CLARK
WILLIAMS MACHINERY
CLARK
EQUIPMENT


Turbo
ANTI-FREEZE


APPLICATION
to
THE PROVINCE OF ALBERTA
ENERGY RESOURCES CONSERVATION BOARD
AN INDUSTRIAL DEVELOPMENT PERMIT
TO MANUFACTURE
RECYCLED LUBE OILS
MOTOR GASOLINE
and
TURBO RESOURCES LIMITED
DECEMBER, 1976


Go Turbo

manufacturing

The Manufacturing Division achieved record revenues of $6,600,000 in 1976, an increase of 37% over 1975. The highlights of the division's operations during the year included:

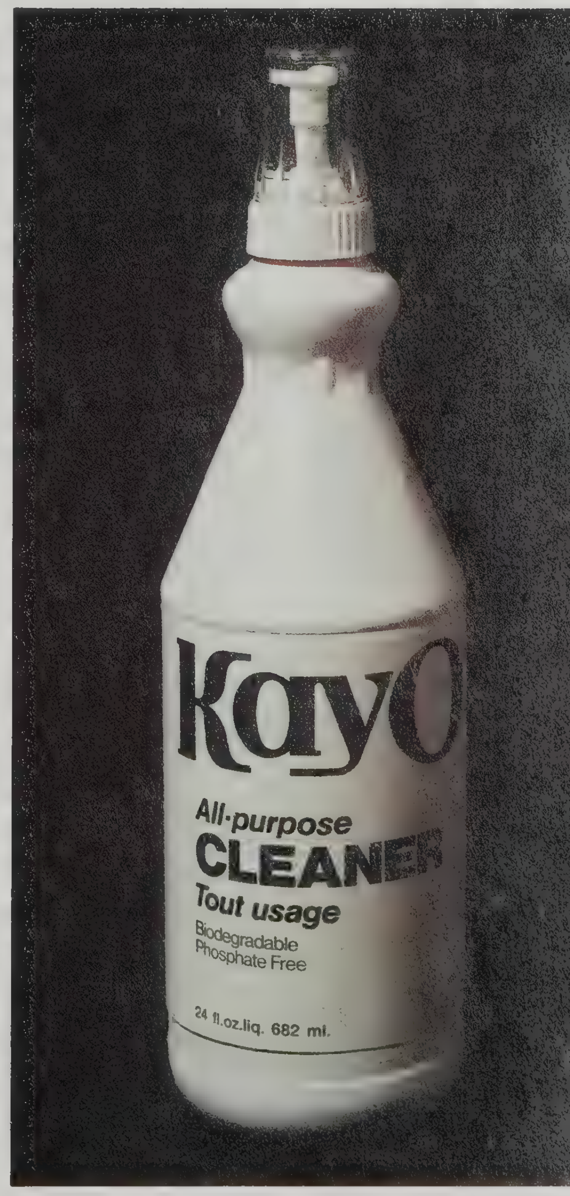
- expanded waste oil collection in Western Canada operating as Recycle Oil Services
- introduction of "Flo-Rite", a new line of quality lubricating oils
- acquisition of British American Chemical Company Limited, with industrial chemical manufacturing and sales facilities in Burnaby and Regina.
- a new cycling oil pilot plant was made operational, using Turbo's new hydrotreating technology.
- introduction of the "KayO" line of household cleaning products, following a test-marketing program under the "New Supreme" name
- purchased a 380-acre site near Edmonton for future industrial development
- incorporated Northwest Sand & Gravel Ltd. (Turbo owns a one-third interest) to develop Turbo's commercial gravel deposit on 350 acres near Edmonton
- completed an application for a new "Lubrefinery" to recycle lube oils and produce gasoline and petrochemical feedstocks.

SAND AND GRAVEL

This year, Turbo participated in the formation of Northwest Sand and Gravel Ltd. to exploit a major sand and gravel deposit owned by Turbo on land 22 miles northwest of Edmonton. Turbo maintains a direct one-third interest in the new company.

An extensive drilling test pit program confirmed that more than 5,000,000 cubic yards of sand and aggregate quality gravel are on the site. Northwest Sand and Gravel Ltd. has obtained an option to lease the land from Turbo for ten years to commercially exploit the deposit.

Market reports indicate a strong long-term demand in the Edmonton area for gravel suitable for use as concrete aggregate. The prospects for continuous worthwhile earnings from our high-quality sand and gravel operations appear excellent.



BLENDING AND PACKAGING

With the acquisition of British American Chemical Company Limited, the company now operates custom blending and packaging plants at Burnaby, Edmonton, Calgary and Regina.

BURNABY
8321 Willard Street

Site	2 acres
Plant and Offices	32,000 sq. ft.
Employees	20
General Manager	S. Raymond Price

Major Products/Services

- Industrial Cleaning Compounds
- Water Treatment Compounds for Heating and Cooling Systems
- Specialty Caulking Compounds for Marine Use
- Deck Coatings for Ships
- Car Wash Soaps and Waxes
- Corrosion Protection Products for Industry
- Water Proofing Products for Cloth and Concrete
- Custom Blending and Packaging
- Contract Warehousing and Distribution.

EDMONTON
34 Street and 98th Avenue

Site	8 acres
Plant and Offices	40,000 sq. ft.
Employees	50
General Manager	Albert Shimbashi

Major Products/Services

- Brake Fluid
- Antifreeze
- Transmission Fluid
- Oilfield Chemicals
- Motor Lube Oils
- Car Journal Oil
- Mineral Oil
- Custom Blending and Packaging
- Industrial Oils and Greasing
- Contract Warehousing and Distribution
- Diesel Lube Oils

CALGARY
1018 - 11th Street S.E.

Site	1 acre
Plant and Offices	18,000 sq. ft.
Employees	18
General Manager	Albert Ingeberg

Major Products/Services

- Boiler Water Treatment Chemicals
- KayO All Purpose Cleaner and Household Products
- Water Softener
- Car Wash Soaps and Waxes
- Windshield Washer Antifreeze
- Antifreeze
- Cleaning Powder and Liquid
- Custom Blending and Packaging
- Oilfield Chemicals
- Industrial Chemicals

REGINA
1355 St. John Street

Site	2 acres
Plant and Offices	13,000 sq. ft.
Employees	7
Manager	John Clarke

Major Products/Services

- Boiler Water Treatment Chemicals
- KayO All Purpose Cleaner and Household Products
- Water Softener
- Car Wash Soaps and Waxes
- Windshield Washer Antifreeze
- Antifreeze
- Cleaning Powder and Liquid
- Custom Blending and Packaging
- Oilfield Chemicals
- Industrial Chemicals
- Gopher, Mouse and Rat Poison

REFINING

Turbo's Edmonton lube oil recycling refinery, already the largest in Canada, achieved a record output in 1976 as a result of process improvements implemented early in the year. The company's free oil collection service introduced a new logo under the name Recycle Oil Services. New collection routes and storage tanks were installed in Southern Alberta and British Columbia to provide regular waste oil recycle service to these areas. Further expansion of collection service is planned for 1977 with the addition of new vehicles and collection tanks.

The company has submitted an application for an industrial development permit to the Alberta Energy Resources Conservation Board for its proposed new "Lubrefinery" project. The lubrefinery plans include expanded new waste lube oil refining facilities, production of about 10,000 barrels a day of gasoline and segregation of sufficient high-quality feedstock to supply a separate world-scale benzene plant. If the necessary government approvals are received, the company will be able to participate in a promising investment to supply its own growing demand for **unleaded** and regular gasoline and industrial lubricants.

FUTURE PLANS

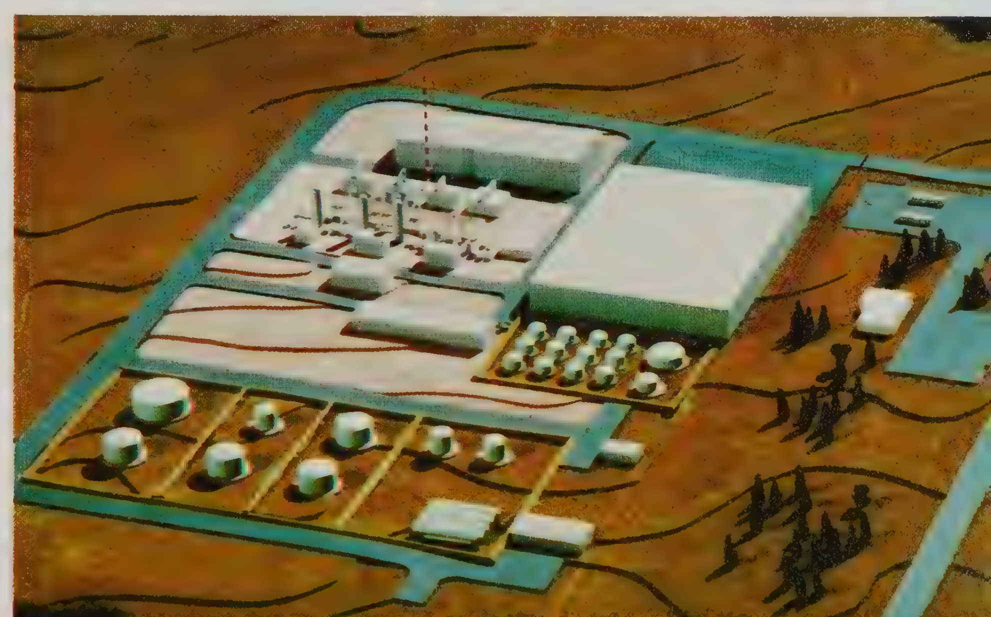
The Manufacturing Division will consolidate its chemical operations under the name "Bramco Industries" in 1977. Bramco will offer a complete line of quality products and services from its four offices located at Burnaby, Edmonton, Calgary and Regina. General use of the names C. C. Snowdon Ltd., British American Chemical Company Limited, Fairview Chemical Company Limited and Paramount XZIT Industries Limited will be discontinued.

The company also plans to expand its blending and packaging facilities and is studying the feasibility of manufacturing plastic bottles for its own use and for sale to others.

Our research staff has achieved an enviable record of commercial successes in fields related to recycling, conservation and environmental processes.

The company is considering major new projects involving recycling, sludge processing, road dust control agents and specialty lubricants derived from agricultural products.

The Manufacturing Division looks forward to favourable results in 1977 with real growth in traditional markets and increased emphasis on growth through expansion into new products and services.




Turbo


REG


Freeway
TRANSPORT LTD.
RED DEER
GAS-SAVE


CASH & CARRY
ONLY
ALL
Turbo
PRODUCTS
SOLD HERE
SURPASS THE WARRANTY
REQUIREMENTS

marketing and transportation

Turbo's Marketing Department achieved record levels of volume and profits in 1976. Our two stated objectives for the year were: physical upgrading of existing marketing facilities; and planned expansion into selected new areas, more particularly Manitoba, rural Saskatchewan and rural Alberta. While Turbo's total number of outlets is down slightly, our total gallonage sold is up by approximately 23%, reflecting our efforts to maximize volume potential at existing outlets and add only those new locations which will produce substantial volumes.

A continuing program of training for both employees and dealers has helped maintain our growth in the face of new and varied forms of competition. Our team of dealers and jobbers performed in a magnificent way during 1976 in meeting the varied challenges of petroleum marketing in Western Canada. We look forward to continued growth and success, in partnership with this fine team of men and women.

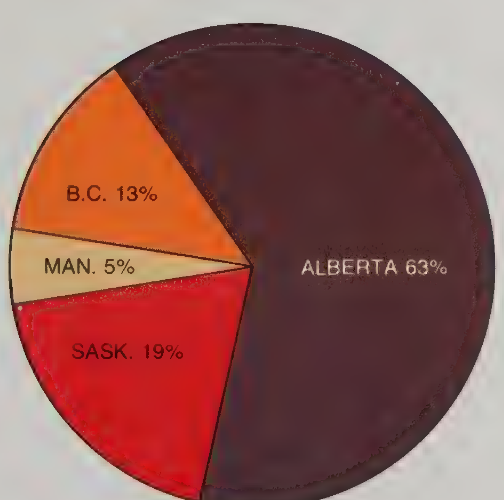
NEW SUPPLY CONTRACT

During 1976 we successfully concluded negotiations, with one of Canada's major refining oil companies, for a seven-year gasoline supply contract. The terms of this agreement provide for sufficient quantities for our planned growth throughout Western and Northern Canada.

EXPANDED MERCHANDISING

Turbo is currently experimenting with various concepts for merchandising auto accessories, lube oils, soft drinks, groceries, confectionery, sporting goods, and housewares. To this end we have opened several station-stores featuring various merchandise lines such as groceries, discount auto accessories, soft drinks or household goods. The results of these experiments will be used to direct our efforts towards fuller, more profitable utilization of Turbo's various retail station and store locations. We feel that diversified retailing will give both our dealers and Turbo the financial returns necessary to meet the challenge of the changing petroleum products market place.

GALLONAGE BY PROVINCES



SELF-SERVE

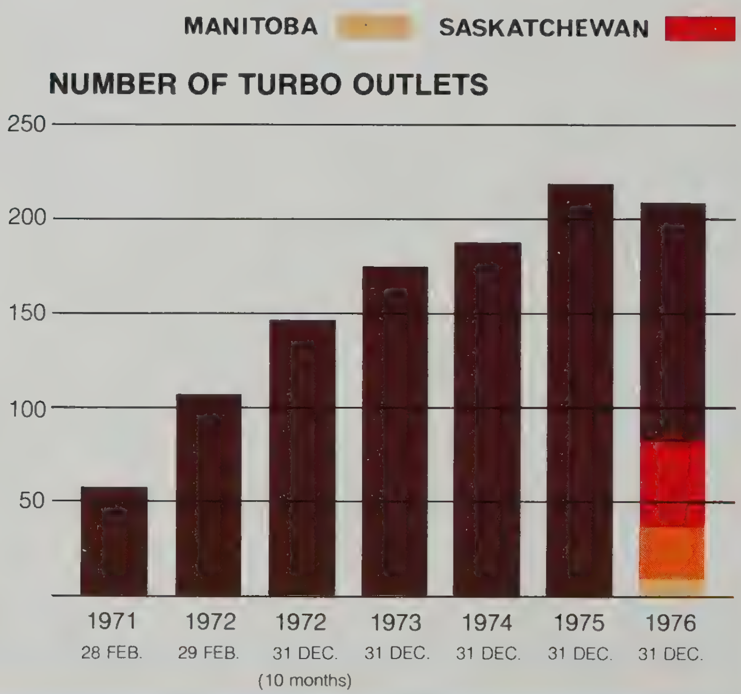
Turbo has watched and participated, to a limited extent, in the tremendous growth in this marketing concept over the past few years. However, we do not necessarily share the view that "Self-Serve" will take over the industry, and as a consequence have only applied the concept in a few specific locations. We will continue to use "Self-Serve" in locations where our experience indicates it would be beneficial, but will still emphasize "savings with service" for the consumer at the majority of our outlets.

RURAL MARKETING

Turbo has traditionally enjoyed healthy rural marketing operations, both retail and wholesale, throughout the West. We feel this emphasis on rural Western Canada gives us a stability that many of our competitors do not enjoy. In many of the small centres of Western Canada, Turbo was the pioneer that brought "discount gasoline" to town. Twenty of our Alberta locations are "bulk jobber" operated, and have established an excellent business for both ourselves and our jobbers, servicing the needs of the commercial and agricultural community in their various areas. We will continue to pursue an aggressive policy in providing discount petroleum products to as many Western Canadians as possible, both in small rural centres and the major metropolitan areas in all four provinces.

TRANSPORTATION

Freeway Transport Ltd. has experienced one of its best years, in terms of equipment upgrading, sales volume and profits. Still greater efficiencies are being effected through acquisition of more powerful tractors, larger trailers, trains, and conversion to bottom-loading. The receipt of expanded hauling authorities in both British Columbia and Manitoba will allow us to further broaden the scope and range of Freeway operations. Our current fleet consists of 27 tractors and trailers.

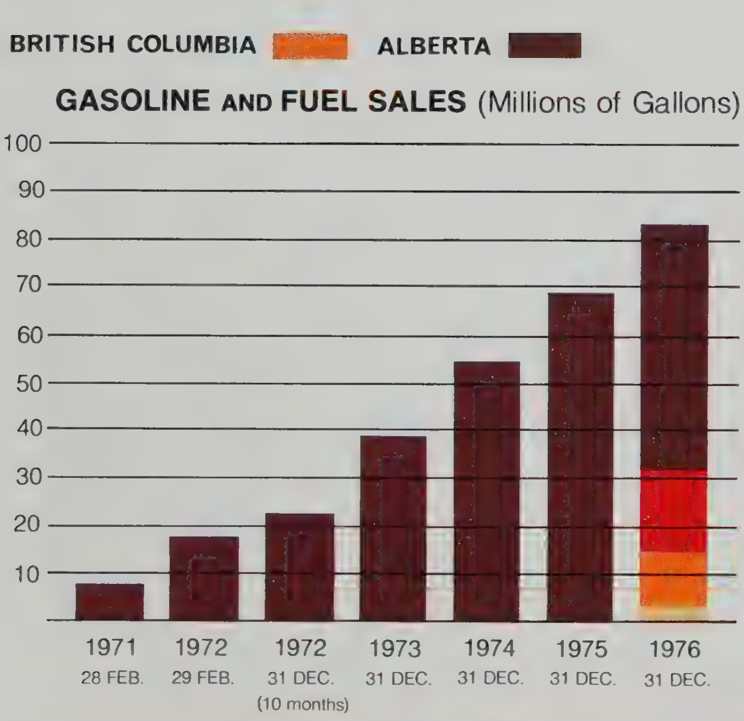


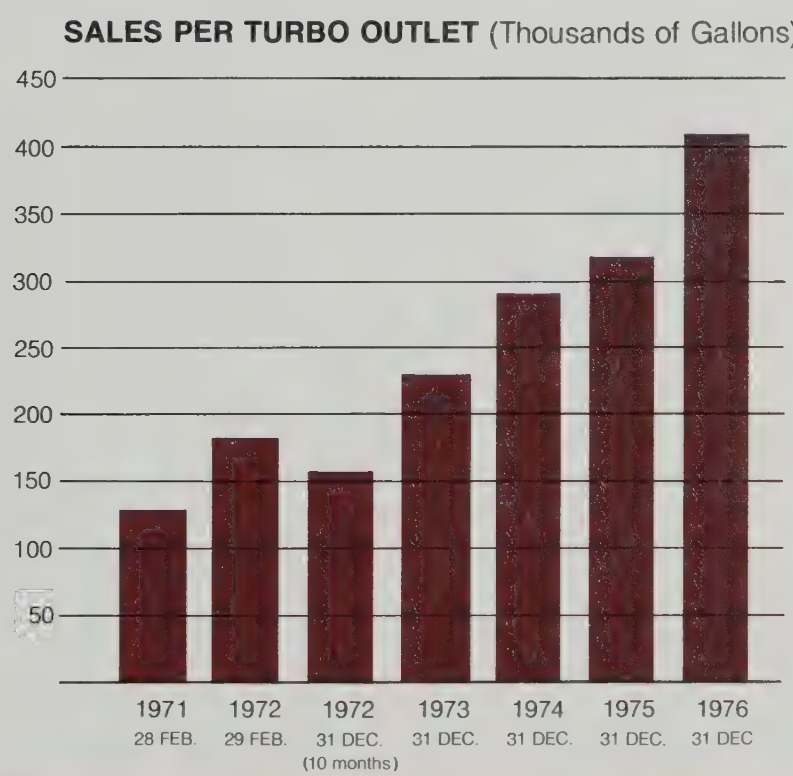
PARKLAND OIL PRODUCTS LTD.

Parkland Oil Products Ltd. has continued to acquire and operate the real estate holdings of Turbo's Marketing Department. Expansion has been selective, resulting in fewer but bigger acquisitions in 1976. We believe our properties are of high commercial value, and will continue to appreciate. To obtain current data for our utilization we have commissioned a series of re-appraisals on many of these properties. The direction for 1977 will be to thoroughly assess many of our holdings to ensure they are being properly utilized in light of changing conditions. Shifts in population patterns, and continual need to up-date Turbo's marketing facilities, will present many promising opportunities for re-development and/or re-financing schemes. Parkland will also continue to acquire attractive commercial real estate wherever good judgment dictates, to expand and enhance Turbo's marketing operations. We are of the opinion that Parkland Oil Products Ltd. is on the threshold of a spectacular growth period on its way to becoming a complete real estate holding and development operation.

1977 . . . THE ROAD AHEAD

Turbo Marketing looks forward to 1977, dedicated to the theme that Western Canadians want and need "Discount Gasoline" more than ever before. We are forecasting sales in excess of one hundred million gallons for the first time, and barring massive government interventions, or severe margin erosion, should generate increased profits to complement this volume. Our 1977 plan once more emphasizes up-grading of key locations by renovation or rebuilding; along with planned growth in Manitoba, Saskatchewan and British Columbia. We will also be looking northward this year so that we can ultimately offer Turbo products to all Western Canadians. Although many competitors now match our prices, we will continue to offer the lowest prices possible, so that the "Turbo" sign will still be the mark of "Savings with Service" across the West.





Turbo RESOURCES LIMITED
AND SUBSIDIARY COMPANIES

consolidated balance sheet

AS AT DECEMBER 31, 1976
(with prior year figures for comparison)

ASSETS

	1976	1975 (Restated Note 2)
CURRENT ASSETS:		
Cash	$ 339,496	$ 278,701
Term deposits	—	1,087,805
Accounts receivable — trade	4,511,560	3,255,732
Income taxes recoverable	90,294	—
Notes receivable	3,026,235	1,350,000
Inventories	2,420,370	1,427,330
Prepaid expenses	173,059	78,565
Total current assets	10,561,014	7,478,133
INVESTMENT IN AFFILIATED COMPANY — equity basis in 1976, cost in 1975 (quoted market value 1976 — $547,900, 1975 — $211,500)	347,515	121,330
PROPERTY, PLANT AND EQUIPMENT (Note 3)	9,554,510	7,123,091
OIL AND GAS PROPERTIES	4,885,082	2,201,968
OTHER ASSETS:		
Deferred process and design costs	327,732	158,190
Deposits	5,342	17,442
Notes receivable	67,809	47,781
Unallocated excess of cost of investment in subsidiary over net assets acquired less amortization	421,585	442,664
Total other assets	822,468	666,077
TOTAL	$26,170,589	$17,590,599

Approved by the Board:

Robert K. Brawn Director

K. Travis Director

LIABILITIES AND SHAREHOLDERS' EQUITY

	1976	1975 (Restated Note 2)
CURRENT LIABILITIES:		
Bank indebtedness	**$ 465,984**	$ 183,760
Accounts payable and accrued liabilities	**10,313,616**	6,566,374
Note payable	**178,167**	1,000,000
Income taxes	**14,073**	13,463
Current portion of long-term debt (Note 4)	**766,346**	353,746
Total current liabilities	**11,738,186**	8,117,343
LONG-TERM DEBT (Note 4)	**5,645,453**	3,361,296
DEFERRED INCOME TAXES	**3,324,979**	2,174,953
MINORITY INTEREST — non-voting preferred shares of a subsidiary company	**50,000**	50,000
SHAREHOLDERS' EQUITY:		
Capital stock (Note 5):		
Authorized:		
50,000 preferred shares with a nominal or par value of $100		
10,000,000 common shares without nominal or par value, not to exceed $6,250,000 in aggregate		
Issued and fully paid:		
4,224,700 common shares (4,161,200 in 1975)	**3,021,950**	2,932,976
Retained earnings	**2,390,021**	954,031
Total shareholders' equity	**5,411,971**	3,887,007
TOTAL	**$26,170,589**	$17,590,599

The accompanying notes are an integral part of the consolidated financial statements.

consolidated statement of income

FOR THE YEAR ENDED DECEMBER 31, 1976
(with prior year figures for comparison)

	1976	1975 (Restated Note 2)
REVENUE:		
Sales and other operating revenue	**$64,778,038**	$46,196,309
Oil and gas production	**894,656**	542,838
Sale of oil and gas properties	**2,000,000**	1,800,000
Total revenue	**67,672,694**	48,539,147
COSTS AND EXPENSES:		
Direct cost of sales and operations	**55,403,109**	38,558,702
Oil and gas operating and lifting costs	**508,301**	274,368
Cost of oil and gas properties sold	**408,036**	964,900
Indirect costs including general and administrative	**7,431,414**	5,847,356
Interest on debt:		
Short-term	**136,573**	64,765
Long-term	**446,820**	330,628
Depreciation and depletion	**615,254**	467,883
Amortization of unallocated excess of cost of investment in subsidiary over net assets acquired	**21,079**	21,079
Share of loss of affiliated company	**24,987**	—
Total costs and expenses	**64,995,573**	46,529,681
INCOME BEFORE INCOME TAXES	**2,677,121**	2,009,466
PROVISION FOR INCOME TAXES:		
Current (recovery)	**(56,877)**	24,443
Alberta royalty tax credit	**(19,546)**	(10,980)
Deferred	**1,150,026**	881,815
Net provision for income taxes	**1,073,603**	895,278
NET INCOME FOR THE YEAR	**$ 1,603,518**	$ 1,114,188
EARNINGS PER SHARE (Note 10)	**38.3¢**	26.8¢

The accompanying notes are an integral part of the consolidated financial statements.

consolidated statement of changes in financial position

FOR THE YEAR ENDED DECEMBER 31, 1976
(with prior year figures for comparison)

	1976	1975 (Restated Note 2)
WORKING CAPITAL PROVIDED:		
From operations excluding sale of oil and gas properties	**$1,764,156**	$1,592,233
Proceeds on sale of oil and gas properties	**2,000,000**	1,800,000
Total working capital provided from operations	**3,764,156**	3,392,233
Proceeds from long-term debt	**3,049,494**	710,963
Proceeds on disposal of property, plant and equipment	**140,162**	212,361
Issuance of capital stock	**88,974**	—
Proceeds of sale of shares in affiliated company	**7,100**	—
Total working capital provided	**7,049,886**	4,315,557
WORKING CAPITAL APPLIED:		
Additions to oil and gas properties	**3,206,675**	1,360,755
Purchase of property, plant and equipment	**2,785,907**	2,360,338
Paid on or transferred to current portion of long-term debt	**818,537**	340,431
Investment in affiliated company	**256,000**	—
Increase in property, plant and equipment less long-term debt of $53,200 assumed on acquisition of subsidiary	**175,731**	—
Increase in other assets	**177,470**	122,668
Dividends paid	**167,528**	83,224
Total working capital applied	**7,587,848**	4,287,416
DECREASE (INCREASE) IN WORKING CAPITAL FOR THE YEAR	**537,962**	(28,141)
WORKING CAPITAL DEFICIENCY AT BEGINNING OF THE YEAR	**639,210**	667,351
WORKING CAPITAL DEFICIENCY AT END OF THE YEAR	**$1,177,172**	$ 639,210

The accompanying notes are an integral part of the consolidated financial statements.

consolidated statement of retained earnings

FOR THE YEAR ENDED DECEMBER 31, 1976
(with prior year figures for comparison)

	1976	1975 (Restated Note 2)
RETAINED EARNINGS (DEFICIT) AT BEGINNING OF THE YEAR:		
As previously reported	**$1,060,031**	$ (76,933)
Adjustment of prior year's figures (Note 2)	**106,000**	—
As restated	**954,031**	(76,933)
ADD:		
Net income for the year	**1,603,518**	1,114,188
	2,557,549	1,037,255
DEDUCT:		
Dividends declared	**167,528**	83,224
RETAINED EARNINGS AT END OF THE YEAR	**$2,390,021**	$ 954,031

The accompanying notes are an integral part of the consolidated financial statements.

auditors' report

To the Shareholders of
Turbo Resources Limited:

We have examined the consolidated balance sheet of Turbo Resources Limited as at December 31, 1976 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1976 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, after restatement giving effect to the change in accounting policy outlined in Note 2.

Calgary, Alberta
April 11, 1977

DELOITTE, HASKINS & SELLS
Chartered Accountants

notes to the consolidated financial statements

DECEMBER 31, 1976

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Principles of Consolidation:

The consolidated financial statements include the accounts of Turbo Resources Limited and all its wholly-owned subsidiaries as well as the 60% owned subsidiary Twin Richfield Oils Ltd.

The unallocated excess of cost of investment in subsidiary over net assets acquired at date of acquisition is carried at cost of $526,980 less accumulated amortization of $105,395 calculated using the straight-line method over a twenty-five year period of benefit.

On June 1, 1976, the company acquired all of the issued and outstanding share capital of British American Chemical Company Limited for cash of $431,727. The following is a summary of net assets acquired:

Total assets acquired	$732,483
Total liabilities assumed	300,756
Net assets acquired and consideration paid	$431,727

This acquisition has been accounted for using the purchase method, with the result that the consolidated statement of income includes the results of operations of British American Chemical Company Limited from June 1 to December 31, 1976.

(b) Valuation of Inventories:

	1976	1975
Finished products are valued at the lower of cost or net realizable value	**$2,018,394**	$1,093,925
Raw materials and drums and pallets are valued at the lower of cost or replacement cost	**401,976**	333,405
	$2,420,370	$1,427,330

(c) Depreciation:

It is the company's practice to provide for depreciation using the methods and rates set out in Note 3. This practice is designed to amortize the cost of the related assets over their estimated useful lives.

(d) Valuation of Oil and Gas Properties:

The company follows the full cost method of accounting wherein all costs relative to the exploration for and development of oil, gas and related reserves are capitalized. No gains or losses are recognized upon the sale or disposition of properties except under circumstances which result in major disposals of reserves.

Under this method, oil and gas properties are carried at cost of $5,192,493 (1975 — $2,393,854) less accumulated depletion of $307,411 (1975 — $191,886) calculated on the composite unit-of-production method based on total estimated proven recoverable reserves as determined by independent consulting engineers.

(e) Deferred Process and Design Costs:

Deferred process and design costs related to the construction of a refinery will be amortized in future years on a basis yet to be determined.

2. RESTATEMENT AND RECLASSIFICATION OF PRIOR YEAR FIGURES:

(a) During the year, the company changed its method of determining the costs attributable to significant dispositions of reserves. The new method, which is based on pro-rating costs on the basis of the company's total proven reserves in a pool before a disposition, results in the same allocation of costs to income when reserves are sold

as when there is production of like amount from the reserves. Management believes this method results in a more appropriate matching of costs with income than the previous method. This change in accounting policy has been retroactively applied, and the closing balance of retained earnings at December 31, 1975 has been reduced as follows:

Increase in cost of oil and gas properties sold	$192,891
Reduction in deferred income taxes applicable thereto	86,891
Net reduction of retained earnings at December 31, 1975 applicable to 1975	$106,000

The effect of this change in accounting policy on net income is as follows:

	1976	1975
Determined under former policy	**$1,432,668**	$1,220,188
Increase (decrease) in net income	**170,850**	(106,000)
Determined under present policy	**$1,603,518**	$1,114,188

(b) Certain additional 1975 figures have been reclassified to conform to the current year's presentation.

3. PROPERTY, PLANT AND EQUIPMENT:

	1976	1975	Depreciation Rates and Method
Land	**$ 2,942,291**	$1,913,643	—
Buildings and leasehold improvements	**3,292,347**	2,406,298	2½% to 20% straight-line
Automotive equipment	**682,553**	531,229	30% diminishing balance
Storage tanks and other equipment	**2,690,967**	2,244,294	3% to 30% straight-line
Production equipment	**1,745,492**	1,101,898	10% straight-line
Total cost	**11,353,650**	8,197,362	
Less accumulated depreciation	**1,799,140**	1,074,271	
	$ 9,554,510	$7,123,091	

4. LONG-TERM DEBT:

	1976	1975	Interest Rates
Bank loans	**$3,485,000**	$ 916,024	10% to 10¾%
Mortgages payable on property	**2,234,128**	2,119,654	Non-interest bearing to 12%
Promissory notes	**165,000**	192,500	12½%
Finance contracts	**227,671**	136,864	10% to 14%
8% First convertible serial notes (Note 5(c))	**300,000**	350,000	8%
	6,411,799	3,715,042	
Less current portion	**766,346**	353,746	
	$5,645,453	$3,361,296	

The borrowings are secured by either a general assignment of accounts receivable and inventories or by specific items of property, plant and equipment or oil and gas properties.

Principal payments are due as follows:

Payments due on rental properties		$ 221,496
Current portion of other long-term debt		766,346
Total payable	1977	987,842
	1978	1,086,000
	1979	1,039,000
	1980	1,045,000
	1981	1,177,000
	Later	1,076,957

5. CAPITAL STOCK:

(a) During the year, options on 58,500 shares at a price of $1.35 per share were exercised under the stock option plan referred to in (b), and 5,000 shares were issued on the conversion of $10,000 of 8% first convertible serial notes referred to in (c).

(b) On June 5, 1972, the shareholders approved the adoption of a stock option plan for officers and employees of the company. As at December 31,1976 options on 103,500 shares at $1.35 per share were outstanding and may be exercised to acquire up to 20% of the shares under option in any one year on a cumulative basis.

The options expire December 1, 1977 on 75,000 shares, April 15, 1978 on 7,500 shares, April 1, 1979 on 6,000 shares and October 15, 1979 on 15,000 shares.

(c) As at December 31, 1976, the holders of 8% first convertible serial notes have the right, prior to December 1, 1983, to convert such notes into capital stock of the company on the basis of 1,000 common shares for each $2,000 principal outstanding.

6. LEASE OBLIGATIONS:

The company has lease obligations expiring 1977 to 1995, covering retail gasoline outlets and office space, under which it is committed to pay the following rental payments over the next five years:

1977	$460,000
1978	395,000
1979	320,000
1980	240,000
1981	180,000

In the opinion of management, rental recoveries will exceed these lease obligations.

7. CONTINGENT LIABILITIES:

The company has guaranteed indebtedness of an affiliated company in the amount of $710,000 and is contingently liable as guarantor of a debenture to a maximum amount of $110,000.

8. SUBSEQUENT EVENTS:

On February 25, 1977 the company entered an agreement to purchase 34% of the issued and outstanding shares of Upper Canada Resources Limited for a cash consideration of $3,037,535 and arranged a bank loan to finance the acquisition. The shares of Upper Canada Resources Limited acquired under this agreement, along with a note receivable at December 31, 1976 of $1,000,000 and certain oil and gas properties, were pledged as security for the loan which is due July 1, 1978. This investment will be accounted for using the equity method.

9. REMUNERATION OF DIRECTORS AND OFFICERS:

The aggregate direct remuneration paid to directors and senior officers of the company and its subsidiaries during the year was $182,000 (1975 — $183,000).

10. EARNINGS PER SHARE:

Earnings per share figures are calculated using the weighted average number of shares outstanding during the respective fiscal periods after providing for subsidiary preferred share dividends. Fully diluted earnings per share, calculated on the basis of the 8% first convertible serial notes having been converted and all stock options exercised at January 1, 1976, amount to 36.4¢ (1975 — 25.2¢).

seven-year summary

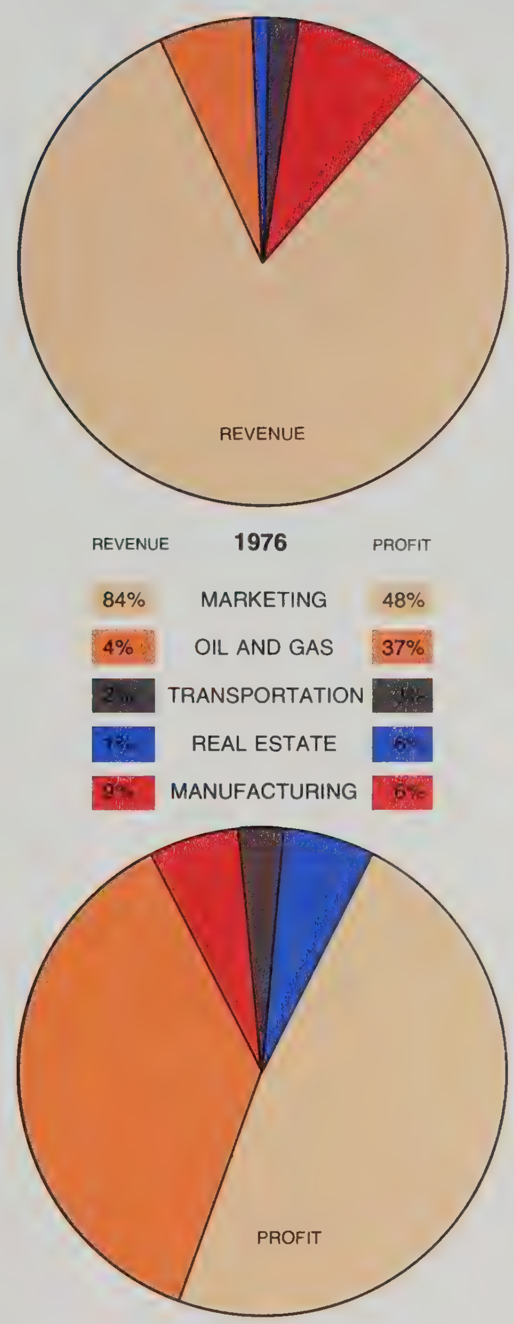
	1976 Dec. 31	1975 Dec. 31 (Restated)	1974 Dec. 31	1973 Dec. 31
Revenue	**$ 67,672,694**	$ 48,539,147	$ 30,211,666	$ 19,385,78
Working Capital from Operations	**$ 3,764,156**	$ 3,392,233	$ 1,669,782	$ 1,019,80
Income Before Taxes	**$ 2,677,121**	$ 2,009,466	$ 1,371,644	$ 755,15
Taxes — Current	**$ (56,877)**	$ 24,443	$ 40,460	$ 1,32
Taxes — Deferred	**$ 1,150,026**	$ 881,815	$ 599,324	$ 387,53
Net Earnings	**$ 1,603,518**	$ 1,114,188	$ 731,860	$ 366,29
Long Term Debt	**$ 5,645,453**	$ 3,361,296	$ 2,990,764	$ 2,503,33
Net Fixed Assets	**$ 14,439,592**	$ 9,325,059	$ 7,171,478	$ 5,222,31
Shareholders' Equity	**$ 5,411,971**	$ 3,887,007	$ 2,856,043	$ 2,207,40
Capital Expenditures (Net)				
Oil and Gas	**$ 3,206,675**	$ 1,380,755	$ 810,970	$ 388,23
Property, Plant and Equipment	**$ 2,961,638**	$ 2,360,338	$ 1,455,717	$ 1,132,75
Other	**$ 177,470**	$ 122,668	(1)	$ 121,33
Working Capital From Operations Per Share	**89.1¢**	81.5¢	40.1¢	24.5
Earnings Per Share	**38.3¢**	26.8¢	17.6¢	8.8
Shareholders' Equity Per Share	**$ 1.28**	93.4¢	68.6¢	53.0
Closing Share Price — Toronto Stock Exchange	**$ 2.22**	$ 1.30	$ 0.77	$ 0.7
Marketing				
Number of Outlets	**206**	214	186	17
Sales In Gallons	**83,500,000**	68,000,000	53,700,000	39,000,00
Average Gallons Per Outlet	**405,300**	317,700	288,700	227,00
Oil and Gas				
Gross Working Interest Acres	**196,786**	152,949	123,600	58,00
Net Working Interest Acres	**79,400**	56,293	35,800	19,00
Wells				
Gross	**74**	53 (2)	43	2
Net	**32.63**	25.04	22.56	19.4
Reserves — Oil and Gas MSTB (3)				
Proven	**4,988**	2,927	3,941	1,00
Probable	**1,593**	2,320	1,797	(
Total	**6,581**	5,247	5,738	1,00
Present Value of Proven Oil and Gas Reserves, after Deduction for Royalties (discounted at 10%)				
Oil	**$ 4,628,000**	$ 3,017,000	$ 2,570,000	$ 730,00
Gas	**$ 18,672,000**	$ 6,995,000	$ 3,630,000	$ 660,00
Total	**$ 23,300,000**	$ 10,012,000	$ 6,200,000	$ 1,390,00
Shares Outstanding	**4,224,700**	4,161,200	4,161,200	4,161,20
Number of Shareholders	**3,978**	4,089	4,064	4,23
Yearly Share Trading Volume — Toronto Stock Exchange	**650,341**	500,472	305,385	392,12
Employees	**238**	183	153	12

(1) No figures available for comparison
(2) Does not include 47 shallow gas wells drilled in Southern Alberta in 1975
(3) Conversion of 8 Mcf. of Gas equals 1 Barrel of Oil

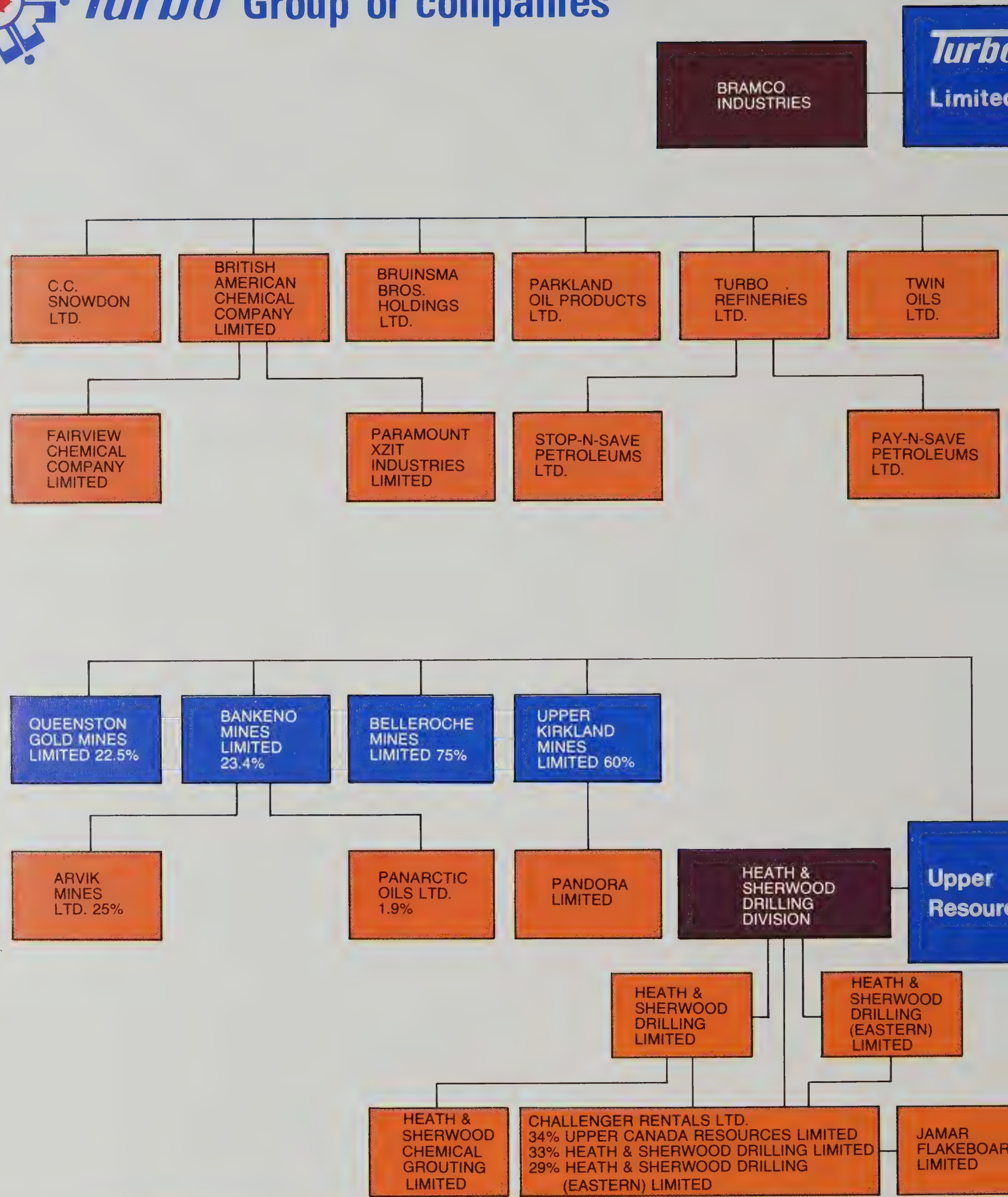
NOTE: In some instances figures previously published have been altered to reflect changes in reporting procedures.

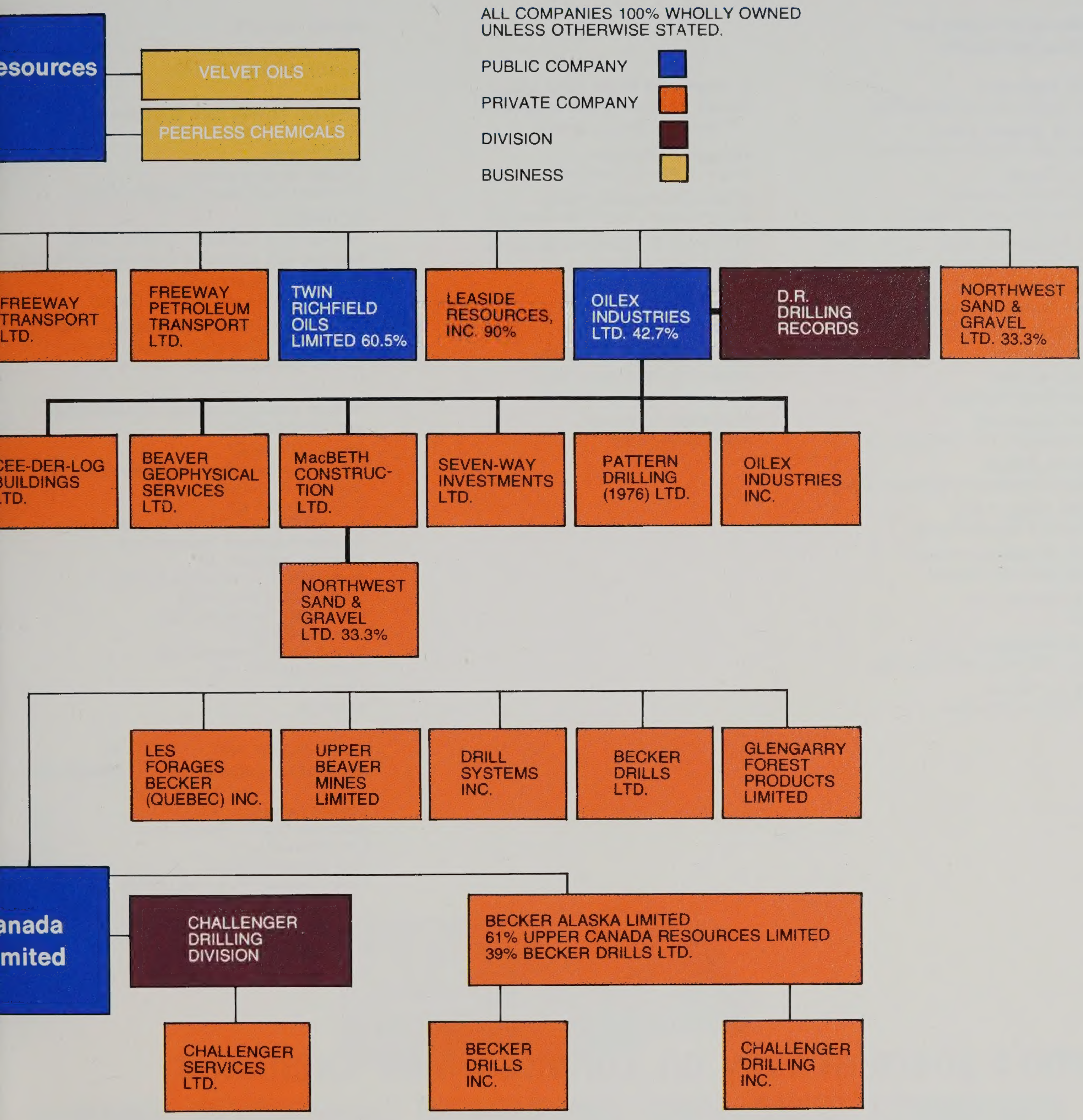
1972 Dec. 31 (0 months)	1972 Feb. 29	1971 Feb. 28
11,216,181	$ 8,341,324	$ 1,130,814
484,280	$ 392,005	$ 31,532
334,112	$ 273,850	$ 23,872
(1)	(1)	(1)
9,535	(1)	$ 5,134
333,400	$ 273,850	$ 18,738
1,918,007	$ 794,803	$ 281,451
3,904,952	$ 2,018,110	$ 719,089
2,126,725	$ 1,232,925	$ 457,392
684,824	(1)	(1)
1,305,647	$ 1,402,872	$ 690,750
85,914	$ 27,012	$ 16,044
11.6¢	10.3¢	1.1¢
8.3¢	7.7¢	1.5¢
51.1¢	32.5¢	15.6¢
1.60	(1)	(1)
144	104	54
23,000,000	18,210,000	7,000,000
160,000	175,000	130,000
79,426	22,400	2,440
13,708	5,760	244
23	4	1
15.54	1.09	.15
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
4,161,200	3,791,200	2,931,200
4,114	3,971	3,829
187,195	(1)	(1)
134	125	87

CONTRIBUTIONS BY DIVISIONS



Turbo Group of companies




ALL COMPANIES 100% WHOLLY OWNED UNLESS OTHERWISE STATED.
PUBLIC COMPANY
PRIVATE COMPANY
DIVISION
BUSINESS
esources
VELVET OILS
PEERLESS CHEMICALS
FREEWAY TRANSPORT LTD.
FREEWAY PETROLEUM TRANSPORT LTD.
TWIN RICHFIELD OILS LIMITED 60.5%
LEASIDE RESOURCES, INC. 90%
OILEX INDUSTRIES LTD. 42.7%
D.R. DRILLING RECORDS
NORTHWEST SAND & GRAVEL LTD. 33.3%
EE-DER-LOG BUILDINGS TD.
BEAVER GEOPHYSICAL SERVICES LTD.
MacBETH CONSTRUC-TION LTD.
SEVEN-WAY INVESTMENTS LTD.
PATTERN DRILLING (1976) LTD.
OILEX INDUSTRIES INC.
NORTHWEST SAND & GRAVEL LTD. 33.3%
LES FORAGES BECKER (QUEBEC) INC.
UPPER BEAVER MINES LIMITED
DRILL SYSTEMS INC.
BECKER DRILLS LTD.
GLENGARRY FOREST PRODUCTS LIMITED
anada mited
CHALLENGER DRILLING DIVISION
BECKER ALASKA LIMITED 61% UPPER CANADA RESOURCES LIMITED 39% BECKER DRILLS LTD.
CHALLENGER SERVICES LTD.
BECKER DRILLS INC.
CHALLENGER DRILLING INC.

corporate information

CORPORATE OFFICERS AND DIVISIONAL MANAGERS

Brian J. Andersen
Northern Alberta Marketing Manager

Robert G. Brawn, P.Eng.
President and Chief Executive Officer

John L. Clarke
Manager, British American Chemical Company Limited

Wayne Ferguson, B.Sc.
Training/TBA Co-ordinator

Edward J. Gerk
Manager, Freeway Transport Ltd.

Robert R. Hobbs, R.I.A.
Assistant Treasurer

Edwin C. A. Holt
Corporate Credit Manager

Albert P. Ingeberg
General Manager, C.C. Snowdon Ltd.

Ronald W. Killick
Saskatchewan/Manitoba Marketing Manager

Frank W. King, P.Eng.
Vice President Manufacturing

Bruce P. R. Millar, B.Comm.
Marketing Services Manager

Allan T. Parker, C.A.
Controller

John G. Pashniak, P.Eng.
Manager, Production and Exploration

Donald E. Patton
Pacific Marketing Manager

S. Raymond Price, B.Sc. (Eng.)
General Manager, British American Chemical Company Limited

George A. Schultz
Southern Alberta Marketing Manager

Albert Shimbashi, P.Eng.
Vice President, Turbo Refineries Ltd.

Frederick C. Stuchberry, P.Eng.
Chief Project Engineer

V. Kenneth Travis
Chairman of the Board

Ralph R. Winkel
Marketing Operations Manager

Robert G. Woolley, P.Eng.
Manager Technical Services

Frederick A. Youck
Assistant Secretary

HEAD OFFICE
1019 - 7th Avenue S.W.,
Calgary, Alberta, T2P 1A8

BANK
Canadian Imperial Bank of Commerce
Main Branch, Calgary, Alberta

AUDITORS
Deloitte, Haskins & Sells
Chartered Accountants, Calgary, Alberta

COUNSEL
Harradence & Company, Calgary, Alberta

TRANSFER AGENTS AND REGISTRARS
The Canada Trust Company,
Calgary, Alberta and Toronto, Ontario

STOCK EXCHANGES (Symbol "TBR")
Alberta Stock Exchange, Calgary, Alberta
Toronto Stock Exchange, Toronto, Ontario

TURBO WHOLLY-OWNED SUBSIDIARIES AND BUSINESSES:
Bramco Industries
British American Chemical Company Limited
Bruinsma Bros. Holdings Ltd.
C. C. Snowdon Ltd.
Fairview Chemical Company Limited
Freeway Petroleum Transport Ltd.
Freeway Transport Ltd.
Paramount XZIT Industries Limited
Parkland Oil Products Ltd.
Pay-N-Save Petroleums Ltd.
Peerless Chemicals
Stop-N-Save Petroleums Ltd.
Turbo Refineries Ltd.
Twin Oils Ltd.
Velvet Oil

CONTROLLED AND AFFILIATED COMPANIES	% OWNERSHIP
Leaside Resources, Inc.	90.0
Northwest Sand & Gravel Ltd.	33.3
Oilex Industries Ltd.	42.7
Twin Richfield Oils Ltd.	60.5
Upper Canada Resources Limited	34.1

Turbo's share activity on Toronto Stock Exchange

YEAR	FIRST QUARTER			SECOND QUARTER			THIRD QUARTER			FOURTH QUARTER			YEAR END	
	High	Low	Volume	High	Low	Volume	High	Low	Volume	High	Low	Volume	Close	Volume
1972	Not Listed			1.90	1.70	17,598	1.85	1.50	88,532	1.80	1.40	81,065	1.60	187,195
1973	1.55	1.20	186,360	1.40	.95	59,330	1.10	.90	43,513	1.05	.68	102,920	.75	392,123
1974	.83	.72	106,585	.90	.75	75,635	.82	.60	57,205	.84	.63	65,960	.77	305,385
1975	1.15	.95	94,963	1.35	1.00	118,220	1.40	1.04	175,830	1.40	1.25	114,459	1.30	500,472
1976	1.64	1.30	136,844	2.03	1.45	192,923	1.85	1.65	88,115	2.25	1.65	232,459	2.22	650,341
1977	3.25	2.21	540,516	—	—	—	—	—	—	—	—	—	—	—


Go Turbo

Turbo RESOURCES LIMITED

AND SUBSIDIARY COMPANIES